

# Senate File 531 - Reprinted

SENATE FILE 531

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 496)

(SUCCESSOR TO SSB 1148)

(As Amended and Passed by the Senate May 2, 2011)

## A BILL FOR

1 An Act relating to motor fuels, including biofuels and  
2 renewable fuels dispensed by retail dealers, and by  
3 providing for tax credits and refunds, providing an  
4 appropriation, and including effective date and retroactive  
5 and other applicability provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 DIVISION I

2 RETAIL DEALERS — MOTOR FUEL STANDARDS

3 Section 1. Section 214A.2, subsection 4, paragraph b, Code  
4 2011, is amended by adding the following new subparagraph:

5 NEW SUBPARAGRAPH. (4) Biodiesel blended fuel classified as  
6 B-6 or higher but not higher than B-20 must conform to A.S.T.M.  
7 international specification D7467 or a successor A.S.T.M.  
8 international specification as established by rules adopted by  
9 the department.

10 DIVISION II

11 RETAIL DEALERS — LIABILITY

12 Sec. 2. NEW SECTION. 214A.20 Retail dealers — limitation  
13 on liability.

14 1. A retail dealer is not liable for damages caused by the  
15 use of incompatible motor fuel dispensed at the retail dealer's  
16 retail motor fuel site, if all of the following applies:

17 a. The incompatible motor fuel complies with the  
18 specifications for a type of motor fuel as provided in section  
19 214A.2.

20 b. The incompatible motor fuel is selected by a person other  
21 than the retail dealer, including an employee or agent of the  
22 retail dealer.

23 c. The incompatible motor fuel is dispensed from a motor  
24 fuel pump that correctly labels the type of fuel dispensed.

25 2. For purposes of this section, a motor fuel is  
26 incompatible with a motor according to the manufacturer of the  
27 motor.

28 DIVISION III

29 RETAIL DEALERS — ETHANOL PROMOTION TAX CREDIT

30 Sec. 3. Section 422.11N, subsection 1, paragraph a, Code  
31 2011, is amended to read as follows:

32 a. "E-85 gasoline", "ethanol", "ethanol blended gasoline",  
33 "gasoline", and "retail dealer", and "retail motor fuel site"  
34 mean the same as defined in section 214A.1.

35 Sec. 4. Section 422.11N, subsection 3, paragraph a, Code

1 2011, is amended to read as follows:

2     a. The taxpayer is a retail dealer who sells and dispenses  
3 ethanol blended gasoline through a motor fuel pump ~~in~~ located  
4 at the retail dealer's retail motor fuel site during the tax  
5 year in determination period or parts of the determination  
6 periods for which the tax credit is claimed as provided in this  
7 section.

8     Sec. 5. Section 422.11N, Code 2011, is amended by adding the  
9 following new subsection:

10     NEW SUBSECTION. 3A. a. When first claiming the tax credit,  
11 the retail dealer shall elect to compute and claim the tax  
12 credit on a company-wide basis or site-by-site basis in the  
13 same manner as provided in section 452A.33.

14     (1) In making a company-wide election, the retail dealer  
15 must compute and claim the tax credit based on calculations  
16 as provided in this section for all retail motor fuel sites  
17 where the retail dealer sells and dispenses motor fuel on a  
18 retail basis. The retail dealer shall not claim the tax credit  
19 based on a calculation which does not include all such retail  
20 motor fuel sites. A retail dealer shall use the company-wide  
21 election in order to calculate the retail dealer's biofuel  
22 threshold percentage as provided in subsection 4, paragraph  
23 "b".

24     (2) In making a site-by-site election, the retail dealer  
25 must compute and claim the tax credit based on calculations as  
26 provided in this section for each retail motor fuel site where  
27 the retail dealer sells and dispenses motor fuel on a retail  
28 basis. The retail dealer shall not claim the tax credit based  
29 on a calculation which includes two or more retail motor fuel  
30 sites. Nothing in this subparagraph requires the retail dealer  
31 to compute or claim a tax credit for a particular retail motor  
32 fuel site. The retail dealer shall not use the site-by-site  
33 election in order to calculate the retail dealer's biofuel  
34 threshold percentage as provided in subsection 4, paragraph  
35 "b".

1     *b.* Once the retail dealer makes an election as provided in  
2 paragraph "a", the retail dealer shall not change the election  
3 without the written consent of the department.

4     Sec. 6. Section 422.11N, subsection 4, paragraph d, Code  
5 2011, is amended by striking the paragraph.

6     Sec. 7. Section 422.11N, subsection 5, paragraph a,  
7 subparagraph (1), Code 2011, is amended to read as follows:

8         (1) For any tax year in which the retail dealer has attained  
9 a biofuel threshold percentage for the determination period,  
10 the tax credit rate is ~~six and one-half~~ eight cents.

11     Sec. 8. Section 422.11N, subsection 5, paragraph a,  
12 subparagraph (2), subparagraph divisions (a) and (b), Code  
13 2011, are amended to read as follows:

14         (a) If the retail dealer's biofuel threshold percentage  
15 disparity equals two percent or less, the tax credit rate is  
16 ~~four and one-half~~ six cents.

17         (b) If the retail dealer's biofuel threshold percentage  
18 disparity equals more than two percent but not more than four  
19 percent, the tax credit rate is as follows:

20             (i) For calendar year 2011, two and one-half cents.

21             (ii) For calendar year 2012 and for each subsequent calendar  
22 year, four cents.

23     Sec. 9. Section 422.11N, subsection 6, Code 2011, is amended  
24 to read as follows:

25         6. a. A retail dealer is eligible to claim an ethanol  
26 promotion tax credit as provided in this section even though  
27 the retail dealer claims ~~an~~ one or all of the following related  
28 tax credits:

29             (1) The E-85 gasoline promotion tax credit pursuant to  
30 section 422.11O.

31             (2) The E-15 plus gasoline promotion tax credit pursuant to  
32 section 422.11Y.

33         b. The retail dealer may claim the ethanol promotion tax  
34 credit and one or more of the related tax credits as provided  
35 in paragraph "a" for the same tax year and for the same ethanol

1 gallonage.

2     Sec. 10. Section 452A.33, subsection 1, paragraph b, Code  
3 2011, is amended by striking the paragraph and inserting in  
4 lieu thereof the following:

5     **b.** The report shall include information required in  
6 paragraph "a" on a company-wide and site-by-site basis, as  
7 required by the department.

8     (1) The information submitted on a company-wide basis shall  
9 include the total motor fuel gallonage, including for each  
10 classification and subclassification, sold and dispensed by the  
11 retail dealer as provided in paragraph "a" for all retail motor  
12 fuel sites from which the retail dealer sells and dispenses  
13 motor fuel.

14     (2) The information submitted on a site-by-site basis shall  
15 include the total motor fuel gallonage, including for each  
16 classification and subclassification, sold and dispensed by the  
17 retail dealer as provided in paragraph "a" separately for each  
18 retail motor fuel site from which the retail dealer sells and  
19 dispenses motor fuel.

20     Sec. 11. 2006 Iowa Acts, chapter 1142, section 49,  
21 subsection 2, as amended by 2006 Iowa Acts, chapter 1175,  
22 section 17, is amended to read as follows:

23     2. For a retail dealer who may claim an ethanol promotion  
24 tax credit under section 422.11N or 422.33, subsection 11A, as  
25 enacted in this Act and amended in subsequent Acts, in calendar  
26 year 2020 and whose tax year ends prior to December 31, 2020,  
27 the retail dealer may continue to claim the tax credit in the  
28 retail dealer's following tax year. In that case, the tax  
29 credit shall be calculated in the same manner as provided in  
30 section 422.11N or 422.33, subsection 11A, as enacted in this  
31 Act and amended in subsequent Acts, for the remaining period  
32 beginning on the first day of the retail dealer's new tax year  
33 until December 31, 2020. For that remaining period, the tax  
34 credit shall be calculated in the same manner as a retail  
35 dealer whose tax year began on the previous January 1 and who



1     b. The tax credit shall apply to E-85 gasoline that meets  
2     the standards provided in section 214A.2.

3     Sec. 16. Section 422.11O, subsection 3, Code 2011, is  
4     amended by striking the subsection and inserting in lieu  
5     thereof the following:

6     3. For a retail dealer whose tax year is on a calendar year  
7     basis, the retail dealer shall calculate the amount of the tax  
8     credit by multiplying a designated rate of sixteen cents by the  
9     retail dealer's total E-85 gasoline gallonage as provided in  
10    sections 452A.31 and 452A.32.

11    Sec. 17. Section 422.11O, subsection 5, Code 2011, is  
12    amended to read as follows:

13    5. a. A retail dealer is eligible to claim an E-85 gasoline  
14    promotion tax credit as provided in this section even though  
15    the retail dealer claims an one or all of the following related  
16    tax credits:

17    (1) The ethanol promotion tax credit pursuant to section  
18    422.11N for the same tax year for the same ethanol gallonage.

19    (2) The E-15 plus gasoline tax credit pursuant to section  
20    422.11Y.

21    b. (1) The retail dealer may claim the E-85 gasoline  
22    promotion tax credit and one or more of the related tax credits  
23    as provided in paragraph "a" for the same tax year.

24    (2) The retail dealer may claim the ethanol promotion  
25    tax credit as provided in paragraph "a" for the same ethanol  
26    gallonage used to calculate and claim the E-85 gasoline  
27    promotion tax credit.

28    Sec. 18. Section 422.11O, subsection 8, Code 2011, is  
29    amended to read as follows:

30    8. This section is repealed on January 1, ~~2021~~ 2018.

31    Sec. 19. Section 422.33, subsection 11B, paragraph c, Code  
32    2011, is amended to read as follows:

33    c. This subsection is repealed on January 1, ~~2021~~ 2018.

34    Sec. 20. 2006 Iowa Acts, chapter 1142, section 49,  
35    subsection 3, is amended to read as follows:

1     3. For a retail dealer who may claim an E-85 gasoline  
 2 promotion tax credit under section 422.110 or 422.33,  
 3 subsection 11B, as enacted in this Act and amended in  
 4 subsequent Acts, in calendar year ~~2020~~ 2017 and whose tax  
 5 year ends prior to December 31, ~~2020~~ 2017, the retail dealer  
 6 may continue to claim the tax credit in the retail dealer's  
 7 following tax year. In that case, the tax credit shall be  
 8 calculated in the same manner as provided in section 422.110  
 9 or 422.33, subsection 11B, as enacted in this Act and amended  
 10 in subsequent Acts, for the remaining period beginning on the  
 11 first day of the retail dealer's new tax year until December  
 12 31, ~~2020~~ 2017. For that remaining period, the tax credit shall  
 13 be calculated in the same manner as a retail dealer whose tax  
 14 year began on the previous January 1 and who is calculating the  
 15 tax credit on December 31, ~~2020~~ 2017.

16     Sec. 21. ADMINISTRATIVE RULES. The department of revenue  
 17 may adopt rules under chapter 17A prior to the effectiveness  
 18 and applicability of section 422.110, and section 422.33,  
 19 subsection 11B, as amended in this division of this Act, due to  
 20 this division of this Act. The department's rules shall not  
 21 take effect earlier than January 1, 2012.

22     Sec. 22. EFFECTIVE DATES.

23     1. Except as provided in subsection 2, this division of this  
 24 Act takes effect on July 1, 2011.

25     2. a. The section of this division of this Act authorizing  
 26 the department of revenue to adopt rules takes effect upon  
 27 enactment.

28     b. Section 422.110, as amended in this division of this Act,  
 29 and section 422.33, subsection 11B, as amended in this division  
 30 of this Act, take effect on January 1, 2012.

31     Sec. 23. APPLICABILITY. Section 422.110, as amended in this  
 32 division of this Act, and section 422.33, subsection 11B, as  
 33 amended in this division of this Act and applied due to this  
 34 division of this Act, apply to tax years beginning on and after  
 35 January 1, 2012.



DIVISION V

RETAIL DEALERS — BIODIESEL BLENDED FUEL TAX CREDIT

Sec. 24. Section 422.11P, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. For purposes of this section, biodiesel blended fuel is classified in the same manner as provided in section 214A.2.

Sec. 25. Section 422.11P, subsection 2, Code 2011, is amended to read as follows:

2. The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by ~~the amount~~ of ~~the~~ a biodiesel blended fuel tax credit for each tax year that the taxpayer is eligible to claim a tax credit under this subsection.

a. In order to be eligible, all of the following must apply:

(1) The taxpayer is a retail dealer who sells and dispenses qualifying biodiesel blended fuel through a motor fuel pump located at a the retail dealer's retail motor fuel site ~~operated by the retail dealer in~~ during the tax calendar year ~~in or parts of the calendar years for~~ which the tax credit is claimed as provided in this section.

~~{2} Of the total gallons of diesel fuel that the retail dealer sells and dispenses through all motor fuel pumps located at a motor fuel site operated by the retail dealer during the retail dealer's tax year, fifty percent or more is biodiesel blended fuel which meets the requirements of this section.~~

~~{3}~~ (2) The retail dealer complies with requirements of the department established to administer this section.

b. The tax credit shall apply to biodiesel blended fuel ~~formulated with a minimum percentage of two percent by volume of biodiesel, if the formulation~~ classified as provided in this section, if the classification meets the standards provided in section 214A.2.

Sec. 26. Section 422.11P, subsection 3, Code 2011, is amended by striking the subsection and inserting in lieu

1 thereof the following:

2     3. For a retail dealer whose tax year is on a calendar year  
3 basis, the retail dealer shall calculate the amount of the tax  
4 credit by multiplying a designated rate by the retail dealer's  
5 total biodiesel blended fuel gallonage as provided in section  
6 452A.31 which qualifies under this subsection.

7     a. In calendar year 2012, in order to qualify for the tax  
8 credit, the biodiesel blended fuel must be classified as B-2  
9 or higher.

10     (1) For biodiesel blended fuel classified as B-2 or higher  
11 but not as high as B-5, the designated rate is two cents.

12     (2) For biodiesel blended fuel classified as B-5 or higher,  
13 the designated rate is four and one-half cents.

14     b. In calendar year 2013 and for each subsequent calendar  
15 year, in order to qualify for the tax credit, the biodiesel  
16 blended fuel must be classified as B-5 or higher. The  
17 designated rate for the qualifying biodiesel blended fuel is  
18 four and one-half cents.

19     Sec. 27. Section 422.11P, Code 2011, is amended by adding  
20 the following new subsection:

21     NEW SUBSECTION. 3A. For a retail dealer whose tax year is  
22 not on a calendar year basis, the retail dealer shall calculate  
23 the tax credit as follows:

24     a. If a retail dealer has not claimed a tax credit in the  
25 retail dealer's previous tax year, the retail dealer may claim  
26 the tax credit in the retail dealer's current tax year for that  
27 period beginning on January 1 of the retail dealer's previous  
28 tax year to the last day of the retail dealer's previous tax  
29 year. For that period the retail dealer shall calculate the  
30 tax credit in the same manner as a retail dealer who will  
31 calculate the tax credit on December 31 of that calendar year  
32 as provided in subsection 3.

33     b. (1) For the period beginning on the first day of the  
34 retail dealer's tax year until December 31, the retail dealer  
35 shall calculate the tax credit in the same manner as a retail

1 dealer who calculates the tax credit on that same December 31  
2 as provided in subsection 3.

3 (2) For the period beginning on January 1 to the end of the  
4 retail dealer's tax year, the retail dealer shall calculate  
5 the tax credit in the same manner as a retail dealer who will  
6 calculate the tax credit on the following December 31 as  
7 provided in subsection 3.

8 Sec. 28. Section 422.11P, subsection 6, Code 2011, is  
9 amended to read as follows:

10 6. This section is repealed January 1, ~~2012~~ 2018.

11 Sec. 29. Section 422.33, subsection 11C, paragraphs c and d,  
12 Code 2011, are amended to read as follows:

13 ~~c. The tax credit shall be calculated separately for each~~  
14 ~~retail motor fuel site operated by the taxpayer in the same~~  
15 ~~manner as provided in section 422.11P.~~

16 ~~d. c.~~ This subsection is repealed on January 1, ~~2012~~ 2018.

17 Sec. 30. TAX CREDIT AVAILABILITY — CLAIMS FOR THE 2011  
18 CALENDAR YEAR. Nothing in this Act affects a retail dealer's  
19 claiming of a biodiesel blended fuel tax credit as provided in  
20 2006 Iowa Acts, chapter 1142, section 49, subsection 5.

21 Sec. 31. TAX CREDIT AVAILABILITY. For a retail dealer who  
22 may claim a biodiesel blended fuel promotion tax credit under  
23 section 422.11P or 422.33, subsection 11C, as amended in this  
24 Act and amended in subsequent Acts, in calendar year 2017, and  
25 whose tax year ends prior to December 31, 2017, the retail  
26 dealer may continue to claim the tax credit in the retail  
27 dealer's following tax year. In that case, the tax credit  
28 shall be calculated in the same manner as provided in section  
29 422.11P or 422.33, subsection 11C, as amended in this Act and  
30 amended in subsequent Acts, for the remaining period beginning  
31 on the first day of the retail dealer's new tax year until  
32 December 31, 2017. For that remaining period, the tax credit  
33 shall be calculated in the same manner as a retail dealer whose  
34 tax year began on the previous January 1 and who is calculating  
35 the tax credit on December 31, 2017.



1     *c.*   *"Sell"* means to sell on a retail basis.

2     *d.*   *"Tax credit"* means the E-15 plus gasoline tax credit as  
3 provided in this section.

4     2. For purposes of this section, ethanol blended gasoline is  
5 classified in the same manner as provided in section 214A.2.

6     3. The taxes imposed under this division, less the credits  
7 allowed under section 422.12, shall be reduced by the amount  
8 of the E-15 plus gasoline tax credit for each tax year that  
9 the taxpayer is eligible to claim a tax credit under this  
10 subsection.

11    *a.* In order to be eligible, all of the following must apply:

12       (1) The taxpayer is a retail dealer who sells and dispenses  
13 qualifying ethanol blended gasoline through a motor fuel pump  
14 located at the retail dealer's retail motor fuel site during  
15 the calendar year or parts of the calendar years for which the  
16 tax credit is claimed as provided in this section.

17       (2) The retail dealer complies with requirements of the  
18 department established to administer this section.

19    *b.* The tax credit shall apply to ethanol blended gasoline  
20 classified as provided in this section, if the classification  
21 meets the standards provided in section 214A.2.

22     4. For a retail dealer whose tax year is on a calendar year  
23 basis, the retail dealer shall calculate the amount of the tax  
24 credit by multiplying a designated rate by the retail dealer's  
25 total ethanol blended gasoline gallonage as provided in section  
26 452A.31 which qualifies under this subsection.

27    *a.* In order to qualify for the tax credit, the ethanol  
28 blended gasoline must be classified as E-15 or higher but not  
29 classified as E-85.

30    *b.* The designated rate of the tax credit is as follows:

31       (1) For calendar year 2012, calendar year 2013, and calendar  
32 year 2014, three cents.

33       (2) For calendar year 2015, calendar year 2016, and calendar  
34 year 2017, two cents.

35     5. For a retail dealer whose tax year is not on a calendar

1 year basis, the retail dealer shall calculate the tax credit  
2 as follows:

3     *a.* If a retail dealer has not claimed a tax credit in the  
4 retail dealer's previous tax year, the retail dealer may claim  
5 the tax credit in the retail dealer's current tax year for that  
6 period beginning on January 1 of the retail dealer's previous  
7 tax year to the last day of the retail dealer's previous tax  
8 year. For that period the retail dealer shall calculate the  
9 tax credit in the same manner as a retail dealer who will  
10 calculate the tax credit on December 31 of that calendar year  
11 as provided in subsection 4.

12     *b.* (1) For the period beginning on the first day of the  
13 retail dealer's tax year until December 31, the retail dealer  
14 shall calculate the tax credit in the same manner as a retail  
15 dealer who calculates the tax credit on that same December 31  
16 as provided in subsection 4.

17     (2) For the period beginning on January 1 to the end of the  
18 retail dealer's tax year, the retail dealer shall calculate  
19 the tax credit in the same manner as a retail dealer who will  
20 calculate the tax credit on the following December 31 as  
21 provided in subsection 4.

22     6. *a.* A retail dealer is eligible to claim an E-15 plus  
23 gasoline promotion tax credit as provided in this section even  
24 though the retail dealer claims one or all of the following  
25 related tax credits:

26     (1) The ethanol promotion tax credit pursuant to section  
27 422.11N.

28     (2) The E-85 gasoline promotion tax credit pursuant to  
29 section 422.11O.

30     *b.* (1) The retail dealer may claim the E-15 plus gasoline  
31 promotion tax credit and one or more of the related tax credits  
32 as provided in paragraph "a" for the same tax year.

33     (2) The retail dealer may claim the ethanol promotion  
34 tax credit as provided in paragraph "a" for the same ethanol  
35 gallonage used to calculate and claim the E-15 plus gasoline

1 tax credit.

2 7. Any credit in excess of the retail dealer's tax liability  
3 shall be refunded. In lieu of claiming a refund, the retail  
4 dealer may elect to have the overpayment shown on the retail  
5 dealer's final, completed return credited to the tax liability  
6 for the following tax year.

7 8. An individual may claim the tax credit allowed a  
8 partnership, limited liability company, S corporation, estate,  
9 or trust electing to have the income taxed directly to the  
10 individual. The amount claimed by the individual shall be  
11 based upon the pro rata share of the individual's earnings of a  
12 partnership, limited liability company, S corporation, estate,  
13 or trust.

14 9. This section is repealed on January 1, 2018.

15 Sec. 36. Section 422.33, Code 2011, is amended by adding the  
16 following new subsection:

17 NEW SUBSECTION. 11D. The taxes imposed under this division  
18 shall be reduced by an E-15 plus gasoline promotion tax credit  
19 for each tax year that the taxpayer is eligible to claim the  
20 tax credit under this subsection.

21 a. The taxpayer shall claim the tax credit in the same  
22 manner as provided in section 422.11Y. The taxpayer may claim  
23 the tax credit according to the same requirements, for the same  
24 amount, and calculated in the same manner, as provided for the  
25 E-15 plus gasoline promotion tax credit pursuant to section  
26 422.11Y.

27 b. Any E-15 plus gasoline promotion tax credit which is in  
28 excess of the taxpayer's tax liability shall be refunded or may  
29 be shown on the taxpayer's final, completed return credited to  
30 the tax liability for the following tax year in the same manner  
31 as provided in section 422.11Y.

32 c. This subsection is repealed on January 1, 2018.

33 Sec. 37. TAX CREDIT AVAILABILITY. For a retail dealer who  
34 may claim an E-15 plus gasoline promotion tax credit under  
35 section 422.11Y or 422.33, subsection 11D, as enacted in this

1 Act and amended in subsequent Acts, in calendar year 2017, and  
2 whose tax year ends prior to December 31, 2017, the retail  
3 dealer may continue to claim the tax credit in the retail  
4 dealer's following tax year. In that case, the tax credit  
5 shall be calculated in the same manner as provided in section  
6 422.11Y or 422.33, subsection 11D, as enacted in this Act and  
7 amended in subsequent Acts, for the remaining period beginning  
8 on the first day of the retail dealer's new tax year until  
9 December 31, 2017. For that remaining period, the tax credit  
10 shall be calculated in the same manner as a retail dealer whose  
11 tax year began on the previous January 1 and who is calculating  
12 the tax credit on December 31, 2017.

13 Sec. 38. ADMINISTRATIVE RULES. The department of revenue  
14 may adopt emergency rules under section 17A.4, subsection 3,  
15 and section 17A.5, subsection 2, paragraph "b", to implement  
16 the provisions of this division of this Act. Any rules adopted  
17 in accordance with this section shall also be published as a  
18 notice of intended action as provided in section 17A.4. The  
19 department's rules shall not take effect earlier than July 1,  
20 2011.

21 Sec. 39. EFFECTIVE DATES.

22 1. Except as provided in subsection 2, this division of this  
23 Act takes effect on July 1, 2011.

24 2. The section of this division of this Act authorizing  
25 the department of revenue to adopt rules takes effect upon  
26 enactment.

27 Sec. 40. APPLICABILITY.

28 1. Except as provided in subsection 2, section 422.11Y,  
29 as enacted in this division of this Act, and section 422.33,  
30 subsection 11D, as enacted in this division of this Act and  
31 applied due to this division of this Act, apply to tax years  
32 beginning on and after January 1, 2012.

33 2. Section 422.11Y, as enacted in this division of this Act,  
34 and section 422.33, subsection 11D, as enacted in this division  
35 of this Act and applied due to this division of this Act,



1 apply to that part of a retail dealer's tax year or tax years  
 2 occurring during that portion of the calendar year beginning  
 3 on and after July 1, 2011, and ending on December 31, 2011.  
 4 In that case, the retail dealer shall calculate the E-15 plus  
 5 gasoline promotion tax in the same manner as a retail dealer  
 6 calculating the tax credit on January 1, 2012.

7 DIVISION VII

8 RENEWABLE FUEL INFRASTRUCTURE — APPROPRIATION — TRANSFER  
 9 OF AUTHORITY FROM DEPARTMENT OF ECONOMIC DEVELOPMENT  
 10 TO DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

11 Sec. 41. Section 15.104, subsection 8, paragraph j, Code  
 12 2011, is amended by striking the paragraph.

13 Sec. 42. Section 15G.201, subsection 2, Code 2011, is  
 14 amended to read as follows:

15 2. "~~Department~~" means the ~~Iowa department of economic~~  
 16 ~~development created in section 15.105~~ department of agriculture  
 17 and land stewardship.

18 Sec. 43. Section 15G.202, subsection 2, paragraph c,  
 19 subparagraph (4), Code 2011, is amended to read as follows:

20 (4) The Iowa ~~motor truck association~~ biodiesel board.

21 Sec. 44. Section 15G.205, subsection 4, paragraph c, Code  
 22 2011, is amended to read as follows:

23 c. Notwithstanding section 8.33, unencumbered and  
 24 unobligated moneys remaining in the infrastructure fund at the  
 25 close of each fiscal year shall not revert but shall remain  
 26 available in the infrastructure fund ~~for expenditure for the~~  
 27 ~~same purposes until the end of the fiscal year that begins July~~  
 28 ~~1, 2011, at which time the unencumbered and unobligated moneys~~  
 29 ~~remaining shall revert to the funds from which appropriated.~~

30 Sec. 45. Section 159.20, subsection 1, paragraph j, Code  
 31 2011, is amended to read as follows:

32 j. Provide for the promotion and expansion of renewable  
 33 fuels and coproducts, by doing all of the following:

34 ~~j.~~ (1) Assist the office of renewable fuels and coproducts  
 35 in administering the provisions of chapter 159A, subchapter I.

1     (2) Assist the renewable fuel infrastructure board, provide  
2 for the administration of the renewable fuel infrastructure  
3 programs, and provide for the management of the renewable fuel  
4 infrastructure fund, as provided in chapter 159A, subchapter  
5 II.

6     Sec. 46. Section 159A.2, unnumbered paragraph 1, Code 2011,  
7 is amended to read as follows:

8     As used in this ~~chapter~~ subchapter, unless the context  
9 otherwise requires:

10    Sec. 47. Section 321.145, subsection 2, paragraph a, Code  
11 2011, is amended to read as follows:

12    a. Four Moneys shall be deposited into and credited to the  
13 following funds:

14    (1) First, three million two five hundred fifty thousand  
15 dollars per quarter shall be deposited into and credited to  
16 the Iowa comprehensive petroleum underground storage tank  
17 fund created in section 455G.3, and the moneys so deposited  
18 are a continuing appropriation for expenditure under chapter  
19 455G, and moneys so appropriated shall not be used for other  
20 purposes.

21    (2) Second, seven hundred fifty thousand dollars per  
22 quarter shall be deposited into and credited to the renewable  
23 fuel infrastructure fund created in section 15G.205, and  
24 the moneys so deposited are a continuing appropriation for  
25 expenditure under chapter 15G, subchapter II, and moneys so  
26 appropriated shall not be used for other purposes.

27    Sec. 48. TRANSITIONAL PROVISIONS — ADMINISTRATIVE  
28 RULES. The rules adopted by the department of economic  
29 development as codified in 261 IAC, chapters 311 through  
30 314, shall continue in full force and effect until amended,  
31 repealed, or supplemented by affirmative action of the  
32 department of agriculture and land stewardship.

33    Sec. 49. TRANSITIONAL PROVISIONS — EMERGENCY  
34 ADMINISTRATIVE RULEMAKING. The department of agriculture and  
35 land stewardship may adopt emergency rules under section 17A.4,

1 subsection 3, and section 17A.5, subsection 2, paragraph "b",  
2 to implement the provisions of this division of this Act, and  
3 the rules shall be effective July 1, 2011, unless a later date  
4 is specified in the rules. Any rules adopted in accordance  
5 with this section shall also be published as a notice of  
6 intended action as provided in section 17A.4.

7     Sec. 50. TRANSITIONAL PROVISIONS — ADMINISTRATIVE HEARINGS  
8 OR COURT PROCEEDINGS. An administrative hearing or court  
9 proceeding arising out of an enforcement action under chapter  
10 15G pending on July 1, 2011, shall not be affected due to  
11 this division of this Act. Any cause of action or statute  
12 of limitations relating to an action taken by the department  
13 of economic development shall not be affected as a result  
14 of this division of this Act and such cause or statute of  
15 limitation shall apply to the department of agriculture and  
16 land stewardship.

17     Sec. 51. TRANSITIONAL PROVISIONS — REPLACEMENT ITEMS. A  
18 replacement item, including but not limited to logos,  
19 stationery, or insignia, that is made due to the effect of  
20 this division of this Act shall be done as part of the normal  
21 replacement cycle for such item.

22     Sec. 52. TRANSITIONAL PROVISIONS — TRANSFER OF RECORDS.

23     1. The department of economic development shall provide the  
24 department of agriculture and land stewardship with records  
25 necessary to administer and enforce chapter 15G, subchapter  
26 II, including sections of the subchapter amended by this Act,  
27 and rules adopted by the department of economic development  
28 pursuant to that subchapter.

29     2. The transfer described in subsection 1, shall be  
30 accomplished by June 15, 2011, unless the department of  
31 economic development and the department of agriculture and land  
32 stewardship agree to a different date in 2011.

33     Sec. 53. TRANSITIONAL PROVISIONS — OUTSTANDING CONTRACTS.

34     1. The department of economic development shall assign  
35 and the department of agriculture and land stewardship

1 shall assume all outstanding cost-share agreements executed  
2 by the department of economic development pursuant to the  
3 renewable fuel infrastructure program for retail motor fuel  
4 sites as provided in section 15G.203 and the renewable fuel  
5 infrastructure program for biodiesel terminal facilities as  
6 provided in section 15G.204.

7     2. The assignment and assumption of the cost-share  
8 agreements described in subsection 1 shall be effective on July  
9 1, 2011, unless the department of economic development and  
10 the department of agriculture and land stewardship agree to a  
11 different date in 2011.

12     Sec. 54. TRANSITIONAL PROVISIONS — RENEWABLE FUEL  
13 INFRASTRUCTURE BOARD. The department of economic development  
14 and the department of agriculture and land stewardship shall  
15 jointly consult with the renewable fuel infrastructure board  
16 as created in section 15G.202, as amended by this Act, when  
17 effectuating the transitional provisions of this division of  
18 this Act.

19     Sec. 55. TRANSFER OF SECTIONS. Chapter 15G, subchapter  
20 II, is transferred to chapter 159A, new subchapter III.  
21 Chapter 159A, subchapter I, shall include section 159A.1, Code  
22 2011. Chapter 159A, subchapter II, shall include all of the  
23 following: section 159A.2, Code 2011, as amended by this Act;  
24 and sections 159A.3 through 159A.8, Code 2011. Chapter 159A,  
25 subchapter III, shall include all of the following: sections  
26 15G.201, 15G.201A, and 15G.202, Code 2011, as amended by this  
27 Act; sections 15G.203 and 15G.204, Code 2011; section 15G.205,  
28 Code 2011, as amended by this Act; and section 15G.206, Code  
29 2011. The Code editor shall correct internal references as  
30 necessary, including references in section 321.145, subsection  
31 2, paragraph "a", as amended in this division of this Act.

32     Sec. 56. EFFECTIVE DATES.

33     1. Except as provided in subsection 2, this division of this  
34 Act takes effect on July 1, 2011.

35     2. a. The section of this division of this Act amending

1 section 15G.202, subsection 2, paragraph c, subparagraph (4),  
2 takes effect upon enactment.

3 b. The section of this division of this Act amending  
4 section 15G.205, subsection 4, paragraph c, takes effect upon  
5 enactment.

6 c. The sections of this division of this Act which include  
7 transitional provisions to accomplish the transfer of powers  
8 and duties of the department of economic development to the  
9 department of agriculture and land stewardship, being deemed  
10 of immediate importance, take effect upon enactment. As used  
11 in this paragraph, such transitional provisions are limited to  
12 those uncodified sections of this division of this Act which  
13 provide for the transfer of powers and duties by the department  
14 of economic development associated with chapter 15G, subchapter  
15 II, including those sections in subchapter II as amended or  
16 transferred to chapter 159A by this Act.

17 DIVISION VIII

18 BIODIESEL PRODUCTION REFUND

19 Sec. 57. Section 422.7, Code 2011, is amended by adding the  
20 following new subsection:

21 NEW SUBSECTION. 54. Subtract, to the extent included, the  
22 amount of any biodiesel production refund provided pursuant to  
23 section 423.4.

24 Sec. 58. Section 422.35, Code 2011, is amended by adding the  
25 following new subsection:

26 NEW SUBSECTION. 25. Subtract, to the extent included, the  
27 amount of any biodiesel production refund provided pursuant  
28 section 423.4.

29 Sec. 59. Section 423.4, Code 2011, is amended by adding the  
30 following new subsection:

31 NEW SUBSECTION. 9. A person who qualifies as a biodiesel  
32 producer as provided in this subsection may apply to the  
33 director for a refund of the amount of the sales tax imposed  
34 and paid upon purchases made by the person.

35 a. The person must be engaged in the manufacturing

1 of biodiesel who has registered with the United States  
2 environmental protection agency as a manufacturer according to  
3 the requirements in 40 C.F.R. §79.4. The biodiesel must be  
4 for use in biodiesel blended fuel in conformance with section  
5 214A.2. The person must comply with the requirements of this  
6 subsection and rules adopted by the department pursuant to this  
7 subsection.

8     *b.* The amount of the refund shall be calculated by  
9 multiplying a designated rate by the total number of gallons  
10 of biodiesel produced by the biodiesel producer in this state  
11 during each quarter of a calendar year. The designated rate  
12 shall be as follows:

13         (1) For the calendar year 2012, three cents.

14         (2) For the calendar year 2013, two and one-half cents.

15         (3) For the calendar year 2014, two cents.

16     *c.* A biodiesel producer shall not be eligible to receive  
17 a refund under this subsection on more than twenty-five  
18 million gallons of biodiesel produced each calendar year by  
19 the biodiesel producer at each facility where the biodiesel  
20 producer manufactures biodiesel.

21     *d.* A person shall obtain a refund by completing forms  
22 furnished by the department and filed by the person on a  
23 quarterly basis as required by the department. The department  
24 shall refund the amount claimed by the person after subtracting  
25 any amount owing from the sales or use taxes imposed and paid  
26 upon purchases made by the person.

27     *e.* This subsection is repealed on January 1, 2015.

28     Sec. 60. EFFECTIVE DATE. This division of this Act takes  
29 effect January 1, 2012.